



State of Utah

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Insurance Department

For Immediate Release

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State vs. Avila: Insurance Fraud

On November 5, 2013, Alex Avila pled guilty to two Class "A" Misdemeanor counts of insurance fraud and was sentenced in the 3rd District Court. Originally Avila was charged with three Class "A" Misdemeanor counts of insurance fraud by the Utah Insurance Fraud Division.

Avila was sentenced to 12 months' probation and ordered to pay for investigative costs of the Insurance Fraud Division.

On July 26, 2012, Avila's 1999 Dodge Caravan was damaged in an accident when hit from behind by another vehicle. Farmers insurance paid Avila for the damage to his vehicle. In October of 2012, Avila applied for insurance with American Family. Prior to the coverage taking affect, Avila filed a claim for damages to his 1999 Dodge Caravan said to be hit while parked in a grocery store parking lot. This claim was denied as it occurred prior to policy going into effect.

A few days later, after the policy took effect, Avila again filed a claim that his vehicle had been hit earlier in the day while parked at a grocery store parking lot. Avila claimed to have had no prior accidents or claims. When the prior claim was discovered, Avila failed to provide proof his vehicle had been repaired.

In January of 2013, Avila filed a new accident claim alleging he discovered additional damage while washing his car. Avila alleged his vehicle must have been hit previously. When an appraiser inspected Avila's Dodge Caravan, it was discovered that all damage was identical to that from the first accident occurring in July of 2012. As a result all three claims were denied and no payments were made.

The Utah Insurance Department is a State agency. Its mandate is to regulate insurance marketed and sold in Utah. Currently more than 95,000 agents, agencies, and insurers are licensed; domestic insurers are audited to verify financial stability and compliance with insurance laws; administrative action is taken against licensees found to be in violation of insurance laws; calls from consumers with questions or complaints are taken; and licensees and consumers are educated regarding insurance. For more information visit <http://www.insurance.utah.gov/> or call toll free in-state @ 1-800-439-3805 or locally @ 801-538-3077.

Please note: Agency hours are 8am-5pm, Monday-Friday.